

CITIZENS' WATER ADVISORY COMMITTEE (CWAC)



Thursday, December 3, 2015, 1:30 p.m.
Director's Conference Room
Tucson Water, 3rd Floor
310 W. Alameda Street, Tucson, Arizona

Summary Minutes

1. Roll Call:

The meeting was called to order by CWAC Chair, Brian Wong at 1:31 p.m. Those present and absent were:

Present:

Brian Wong	Chairperson, Representative, City Manager
Catlow Shipek	Representative, City Manager
Mark Taylor	Representative, City Manager
Mitch Basefsky	Representative, City Manager
Placido dos Santos	Representative, City Manager
Chuck Freitas	Representative, City Manager
Jean McLain	Representative, City Manager
Ryan Lee	Representative, Ward 1
Bruce Billings	Representative, Ward 3
Mark Lewis	Vice Chair, Representative, Ward 5
Kelly Lee	Representative, Ward 6

Absent:

Mark Murphy	Representative, Mayor
Mark Stratton	Representative, City Manager
Amy McCoy	Representative, Ward 2
George White	Representative, Ward 4
Albert Elias	Tucson Water, Acting Director, Ex-Officio Member
Jackson Jenkins	Pima County Regional Wastewater Reclamation Department Director, Ex-Officio Member

Tucson Water Staff Present:

Sandy Elder	Deputy Director
Scott Clark	Deputy Director
Andrew Greenhill	Intergovernmental Affairs Manager
Melodee Loyer	Water Administrator
Pat Eisenberg	Water Administrator
Britt Klein	Water Administrator
Fernando Molina	Water Program Superintendent
Steven Ritter	Management Coordinator
Theresa Bourne	Lead Financial Accountant
Joaquim Delgado	Public Information Specialist
Rebecca Spry	Staff Assistant
Johanna Hernandez	Staff Assistant
Kris LaFleur	Staff Assistant

Others Present:

Chris Avery	City of Tucson, Attorney's Office
Amy Stabler	City of Tucson, Ward 6
Mark Crum	City of Tucson, Ward 6
Steve Arnquist	City of Tucson, Ward 1
Pete Saxton	City of Tucson, Internal Audit
Lee Barr	City of Tucson, Budget
Alan Tonelson	Citizen
Ed Verburo	Citizen

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2. **Announcements** – None.

3. **Call to Audience** – Chuck Freitas summarized the events of the Arizona Town Hall, and provided a copy of an article on the subject.

4. **Review of November 4, 2015 Legal Action Report and Meeting Minutes** – Committee Vice Chair Lewis motioned to approve the Meeting Minutes of November 4, 2015. Member Billings seconded. Motion passed unanimously by a voice-vote of 11-0.

5. **Adoption of 2016 Meeting Schedule** – Chairperson Wong presented the proposed the 2016 CWAC meeting schedule of the first Wednesday of every month, at 7 a.m., with the Committee taking a summer break in July and August. Member Freitas motioned to adopt the proposed schedule. Member Billings seconded. Motion passed unanimously by a voice-vote of 11-0.

6. **Officer Elections** – Staff explained the process for elections and voting, the positions of Committee Chair (nominees: Wong & Lewis), Committee Vice Chair (nominees: Wong and Lewis), and Conservation and Education Subcommittee Chair (nominee: Shipek) are up for election. Nominees for Chair spoke briefly about their desire to serve as Chair.

Vice Chair Lewis spoke as to his desire for the Committee to improve its role as advocates and specific topics he would like the Committee to address, such as oversight of the conservation fund, review of monies paid to the City general fund, and public information access. Member Lewis also spoke as to administrative aspects of the Committee, such as bylaws, meeting format, meeting locations, and subcommittee designations.

Chair Wong expressed his gratitude for the year he has served as Chair, and conveyed his desire to continue as Chair.

Member Wong was elected chair by ballot vote (Wong -8; Lewis -2; Abstained -1[Wong]). *Correction: the audio recording reflects a vote distribution of 9-1-1, clarification after the meeting corrected that count to 8-2-1.*

Member Billings motioned to summarily elect the sole candidates for Vice Chair (Lewis) and C&E Chair (Shipek). Member Freitas seconded. Member Lewis noted his objection to Member Shipek's nomination for the Chair of C&E due to a possible conflict of interest. The Committee held a discussion regarding conflict of interest and recusal when necessary. Member Lewis rescinded his objection. Motion passed unanimously by a roll-call vote of 11-0.

7. **Director's Report** –

a. **Mayor and Council Items** – In late November, Tucson Water sent a Memorandum regarding the Utility's Low Income program to the Mayor and Council and to CWAC. There was a brief discussion on the content of the Memorandum.

In January, Mayor and Council will consider a Real Estate item for a lease to Latitude Engineering for a portion of Tucson Water's land in Avra Valley.

b. **Department Updates** – Tucson Water currently has 55 vacancies, 11 active recruitments, and 5 pending new hires. The Utility is aggressively pursuing filling its vacancies.

c. **Informational Items** – Potable water production is down about 6%, the decreases are partially accounted for in the Utility's projections for reductions of demand; likewise, reclaimed production is down about 11%.

The CWAC and UCAB are scheduled for the Director's Recruitment Meet and Greet on 12/10/15 from 7:15-8:15 a.m. at Tucson Water. Forms will be supplied for attendees to provide feedback. There will be a press release Monday, December 7th announcing the 3 finalists.

Member dos Santos departed at 2:00 p.m.

8. **Subcommittee Reports** –

Technical, Policy, and Planning Subcommittee – Member Wong reported that the last TPP meeting was canceled due to lack of quorum.

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Finance Subcommittee – Subcommittee Chair Billings reported the Subcommittee has reviewed the O&M budget; cost allocation and revenue requirements are coming up in the schedule for future meetings.

Conservation and Education Subcommittee – Member Shipek reported the Subcommittee is working on a mission statement and revision of the M&C water policies. The Subcommittee will next meet in January.

Bill Redesign Ad-Hoc – Subcommittee Chair Freitas reported that the planned focus groups have been delayed to January; a meeting will be scheduled after the focus groups are completed.

RWRAC Update – Member Taylor reported that RWRAC has met frequently in the last month. They will continue to work on through the rate process likely through February.

9. **Member Appreciation Award¹** – The Committee recognized Alan Tonelson for his service and presented him with an award.
10. **Ward 1 Perspectives** – Steve Arnquist expressed the Ward's and Council Member Romero's, appreciation for Alan Tonelson's service on CWAC. Mr. Arnquist directed members to Plan Tucson for the Ward's, and the City's, general water perspectives. Specifically, in regards to rates, CM Romero supports pro conservation, low fixed-high usage rates. The Ward's water priorities are water reliability, municipal and environmental water uses, rainwater harvesting, green infrastructure, maintenance and expansion of the low-income program, continued customer service improvements, and holistic conservation programs not focused on demand reduction. Customer service issues often stem from representative attitudes, language barriers, and levels of comfort approaching Tucson Water. Discussion was held on rates and development of the low-income program.

Member Taylor departed at 2:30 p.m.

Member Lewis departed at 2:39 p.m., returned 2:40 p.m.

11. **Operations and Maintenance Budget (O&M)** – Tucson Water Deputy Director Scott Clark presented a PowerPoint on the O&M Budget. The O&M funds and supports Tucson Water's Water Reliability Program. The Utility's operating request is just over \$188M; an increase of just over \$16M from FY16. Of that, about \$9M is non-discretionary and about \$7M is discretionary. The Utility's assets and employee metrics were discussed. The Utility is requesting funds for eight new positions. A detailed breakdown of the non-discretionary and discretionary requests was reviewed. The next steps include review and approval of the Financial Plan, followed by the review of Cost of Service, and approval rate schedules. A brief discussion was held on the staffing needs of the Utility, and how CWAC might support those needs.
12. **IAPC Report and Recommendation** – IAPC Cost Allocation Subcommittee Chair Jim Hannley summarized the IAPC's process and findings. Mr. Hannley reported that Cost Allocation plans are common, and that the software used by the City is in widespread use across the country. A brief explanation of the two illustrative examples was provided. The Subcommittee concluded, and the Committee concurred, that the Cost Allocation process is equitable, reasonable, and appropriate. It was outside of the Subcommittee's scope to consider comparisons to other cities or private organizations.

Member McLain departed at 3:30 p.m.

13. **Open Meeting Law** – This presentation was deferred to the January meeting.
14. **Future Meetings/Agenda Items** – See projected agenda.
15. **Adjournment** – Meeting was adjourned at 3:33 p.m.

Approved 1/13/16

¹ Item taken out of order